



Cammy Darris
Navajo County Assessor

NAVAJO COUNTY ASSESSOR'S OFFICE



2011 VALUATION PROCESS



The process begins with the valuation of the bare land

- The land value is derived from market data—the selling price of properties in the area



Land Characteristics

Size View Amenities

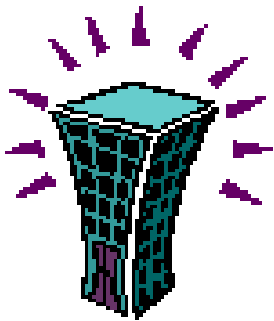
Location; Location; Location



ADDRESSING THE IMPROVEMENT VALUE

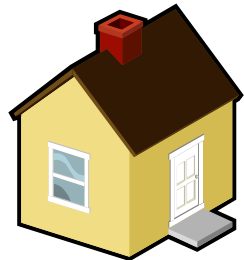


AN IMPROVEMENT IS ANY ADDITION TO
A VACANT PARCEL OF LAND



The improvement is measured, classified and graded based on its use, quality, design and workmanship

Homes are classified from an R-1 to R-7



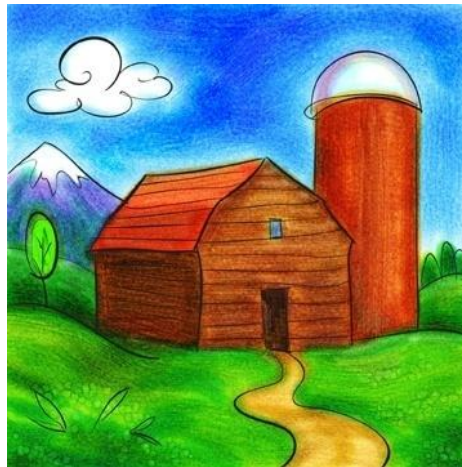
**Sales are used as bench-marks for
Assessor's valuation: Market
factors are applied to building cost
for the various areas based on
sales**



MARKET INFORMATION

**ASSESSOR'S
VALUATION PROCESS**

**AMENITIES ARE ADDED—SUCH AS
GARAGES, CARPORTS, BARNS AND
OTHER BUILDINGS OR
IMPROVEMENTS TO THE BARE LAND**

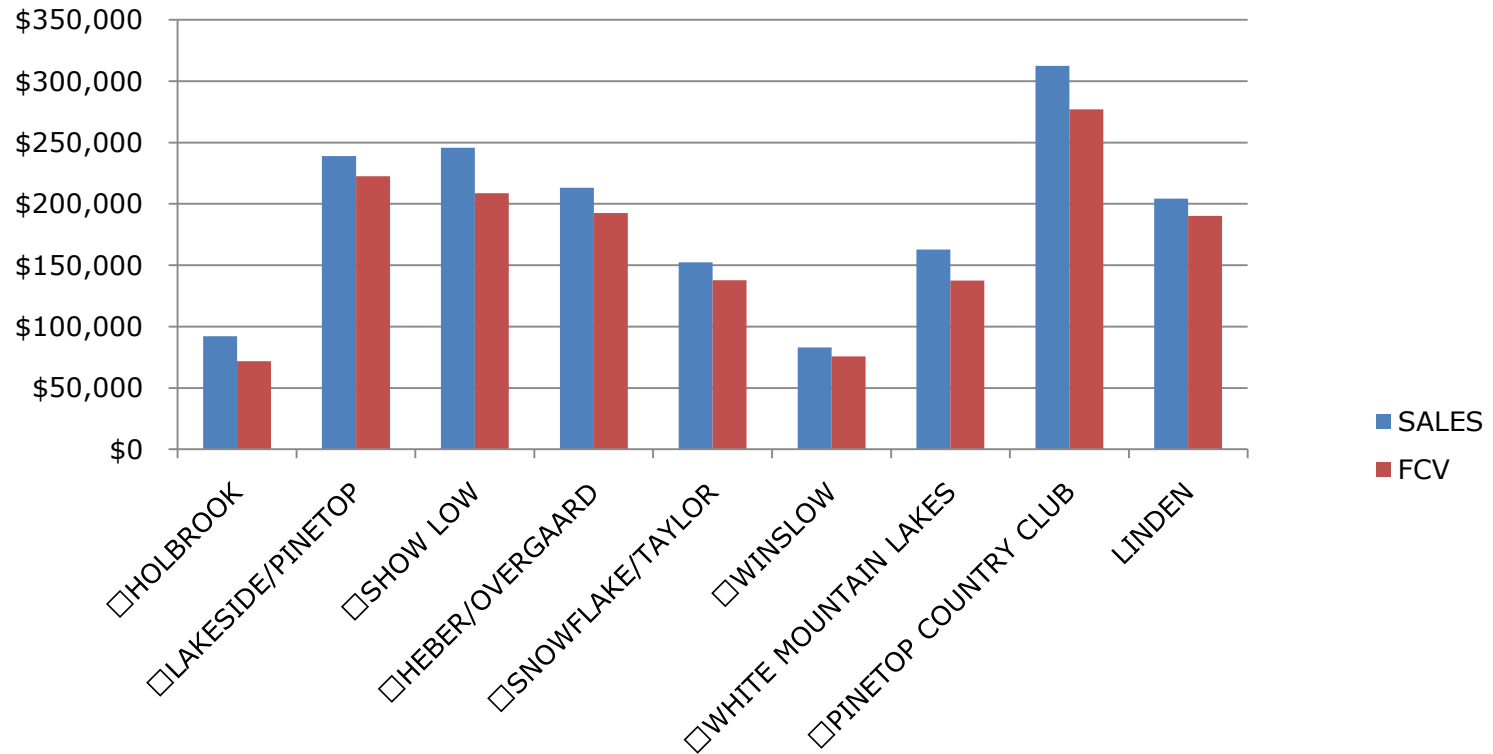


**THE LAND VALUE AND
IMPROVEMENT VALUES ARE
ADDED TOGETHER TO ARRIVE AT
THE PROPERTY VALUATION**

	AVERAGE SALES PRICE	AVERAGE ASSESSOR'S VALUATION
• HOLBROOK	\$ 92,161	\$ 71,679
• LAKESIDE/PINETOP	\$239,105	\$222,508
• SHOW LOW	\$245,728	\$208,856
• HEBER/OVERGAARD	\$213,263	\$192,571
• SNOWFLAKE/TAYLOR	\$152,404	\$137,904
• WINSLOW	\$ 83,049	\$ 75,698
• WHITE MOUNTAIN LAKES	\$162,738	\$ 75,698
• PINETOP COUNTRY CLUB	\$312,542	\$277,122
• LINDEN	\$204,261	\$190,143

2009 SALES STATISTICS ON HOMES BY AREA

2011 FULL CASH VALUE VS 2009 SALES PRICE



***TAXES DO NOT INCREASE
JUST BECAUSE THE
VALUES INCREASE***

HISTORICALLY, AN INCREASE IN
PROPERTY VALUES DOES NOT EQUAL
THE SAME INCREASE
IN THE TAX AMOUNT

2003 to 2009 Comparison of Real Property in Navajo County

- 2003
 - Net Assessed Value Tax Amount
 - \$631,061,850 \$54,577,823
- 2009
 - Valuation Tax Amount
 - \$1,100,399,558 \$83,279,992
- Net Assessed increase Tax Amount increase
- 74% 52% (7.4% a year)
 - Tax Increase was 70% of Valuation Increase

There are two valuations for each property

The full cash value also known as the
secondary

The limited value also known as the
primary

**FULL CASH IS SYNONYMOUS WITH
MARKET VALUE**

**THE FULL CASH VALUE IS USED TO LEVY THE
SECONDARY PROPERTY TAX**

FUNDS VOTER APPROVED SERVICES AND INDEBTNESS OF THE JURISDICTIONS

LIMITED VALUE IS A STATUTORILY CALCULATED VALUE
THE FORMULA IS THE GREATER OF THE TWO FOLLOWING
CALCULATIONS 1.)THE PRIOR YEARS LIMITED VALUE PLUS
10% 2.)THE CURRENT FULL CASH VALUE MINUS THE
PRIOR YEARS LIMITED VALUE TIMES 25% AND ADD THAT
TOTAL BACK TO LAST YEAR'S LIMITED

THE LIMITED IS USED TO LEVY THE PRIMARY TAXES

FUNDS THE MAINTENANCE AND OPERATION BUDGETS OF THE JURISDICTIONS

TAX CALCULATION



ASSESSOR'S ASSESSED VALUE X JURISDICTION TAX RATE = TAX AMOUNT

Assessor's assessed value is the full cash value x an assessment ratio
(based on use)

Owner-occupied Residential	10%
Rental residential	10%
Vacant Properties	16%
Commercial	20%(decreased from 25% over last 5 years)

TAX RATE CALCULATION

JURISDICTION'S BUDGET DIVIDED BY ASSESSOR'S
VALUATION FOR JURISDICTION



EXAMPLE:

BUDGET FOR JURISDICTION	ZZZ	EQUALS	\$1,000,000
VALUATION FOR JURISDICTION	ZZZ	EQUALS	\$2,000,000

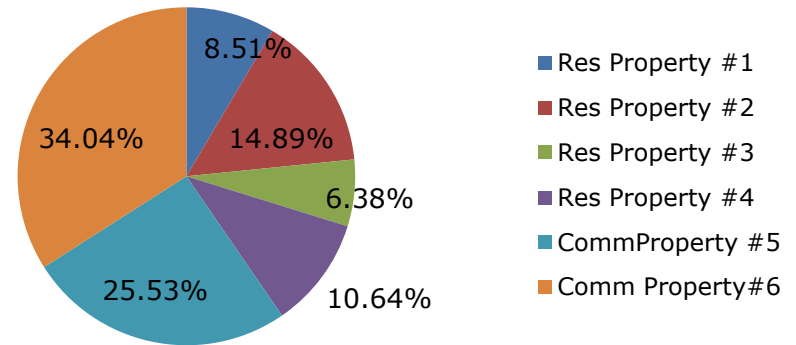
$$\$1,000,000 / \$2,000,000 = .50 \text{ TAX RATE}$$

EACH JURISDICTION SETS THEIR OWN BUDGET AND TAX RATE

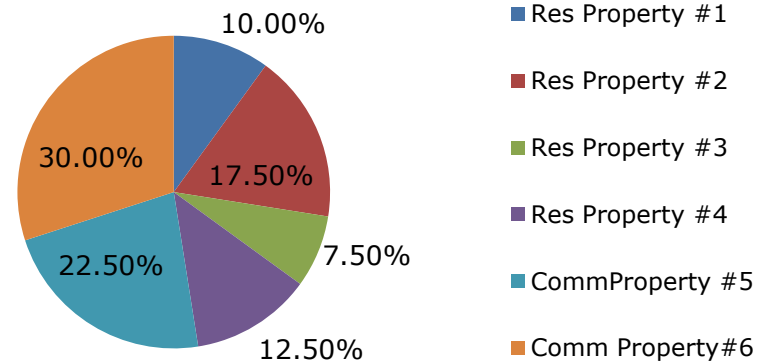


Valuation vs Jurisdiction Budget

	Full Cash Value	Assess Ratio	Assessed Value	% Assessed Values	Tax Amount
Res Property #1	200,000	0.10	20000	8.51%	\$4,255.32
Res Property #2	350,000	0.10	35000	14.89%	\$7,446.81
Res Property #3	150,000	0.10	15000	6.38%	\$3,191.49
Res Property #4	250,000	0.10	25000	10.64%	\$5,319.15
Com Property #5	300,000	0.20	60000	25.53%	\$12,765.96
Com Property #6	400,000	0.20	80000	34.04%	\$17,021.28
	1,650,000		235,000	100%	\$50,000.00



Res Property #1	200,000	0.10	20000	10.00%	\$5,000.00
Res Property #2	350,000	0.10	35000	17.50%	\$8,750.00
Res Property #3	150,000	0.10	15000	7.50%	\$3,750.00
Res Property #4	250,000	0.10	25000	12.50%	\$6,250.00
Com Property #5	300,000	0.15	45000	22.50%	\$11,250.00
Com Property#6	400,000	0.15	60000	30.00%	\$15,000.00
	1,650,000		200000	100%	\$50,000.00



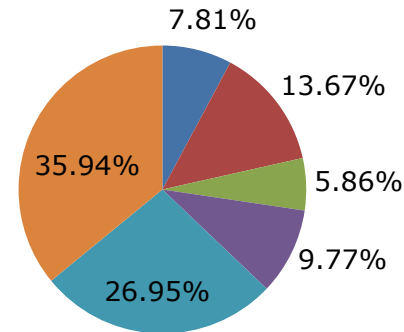
The budget for Jurisdiction "A" is \$50,000 for both examples; The tax amount is shifting due to the change in assessment ratios for commercial properties. Commercial property was a 25% ratio and then decreased each year by 1% percent until it capped out at 20%. The example indicates 15% due to a bill currently at the State Legislature.

This will cause a shift in property taxes to the other classes of properties

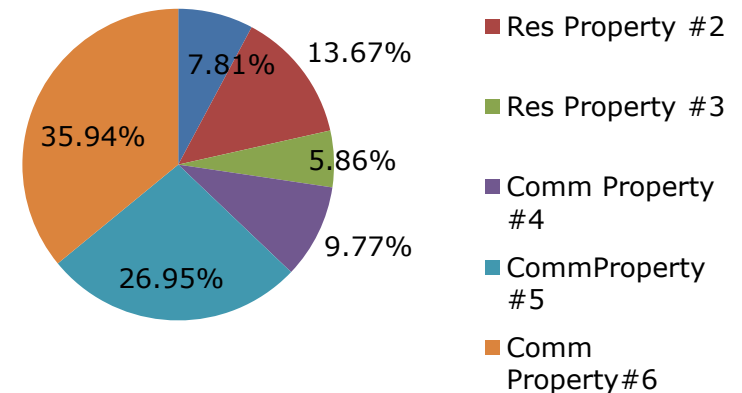
The circle (pie) represents Jurisdiction "A" budget of \$50,000

Valuation vs Jurisdiction Budget

	Full Cash Value	Assessed Ratio	Assess Value	% Assessed Values	Tax Amount
Res Property #1	200,000	0.10	20000	8.51%	\$4,255.32
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Res Property #4	250,000	0.10	25000	10.64%	\$5,319.15
Com Property #5	300,000	0.20	60000	25.53%	\$12,765.96
Com Property #6	400,000	0.20	80000	34.04%	\$17,021.28
	1,650,000		235,000	100%	\$50,000.00



Res Property #1	160,000	0.10	16000	8.51%	\$4,255.32
Res Property #2	280,000	0.10	28000	14.89%	\$7,446.81
Res Property #3	120,000	0.10	12000	6.38%	\$3,191.49
Res Property #4	200,000	0.10	20000	10.64%	\$5,319.15
Com Property #5	240,000	0.20	48000	25.53%	\$12,765.96
Com Property #6	320,000	0.20	64000	34.04%	\$17,021.28
	1,320,000		188,000	100%	\$50,000.00

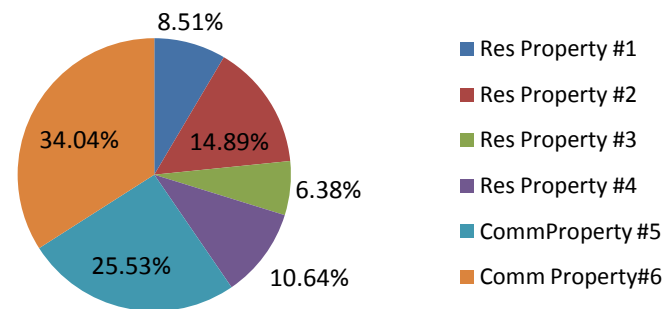


The two examples above indicate a value reduction of 20% with the same budget of \$50,000; The tax amount did not change with the reduction in value. The budget is the number that drives the tax amounts.

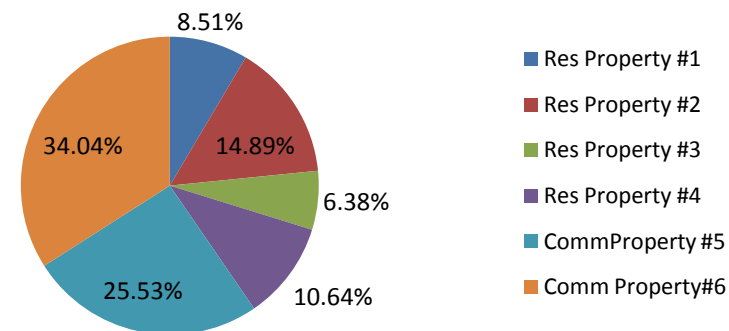
The valuation is used to slice the pie between the property owners

The circle (pie) represents Jurisdiction "A" budget of \$50,000

Res Property #1	200,000	0.10	20000	8.51%	\$4,255.32
Res Property #2	350,000	0.10	35000	14.89%	\$7,446.81
Res Property #3	150,000	0.10	15000	6.38%	\$3,191.49
Res Property #4	250,000	0.10	25000	10.64%	\$5,319.15
Com Property #5	300,000	0.20	60000	25.53%	\$12,765.96
Com Property #6	400,000	0.20	80000	34.04%	\$17,021.28
	1,650,000		235000	100%	\$50,000.00

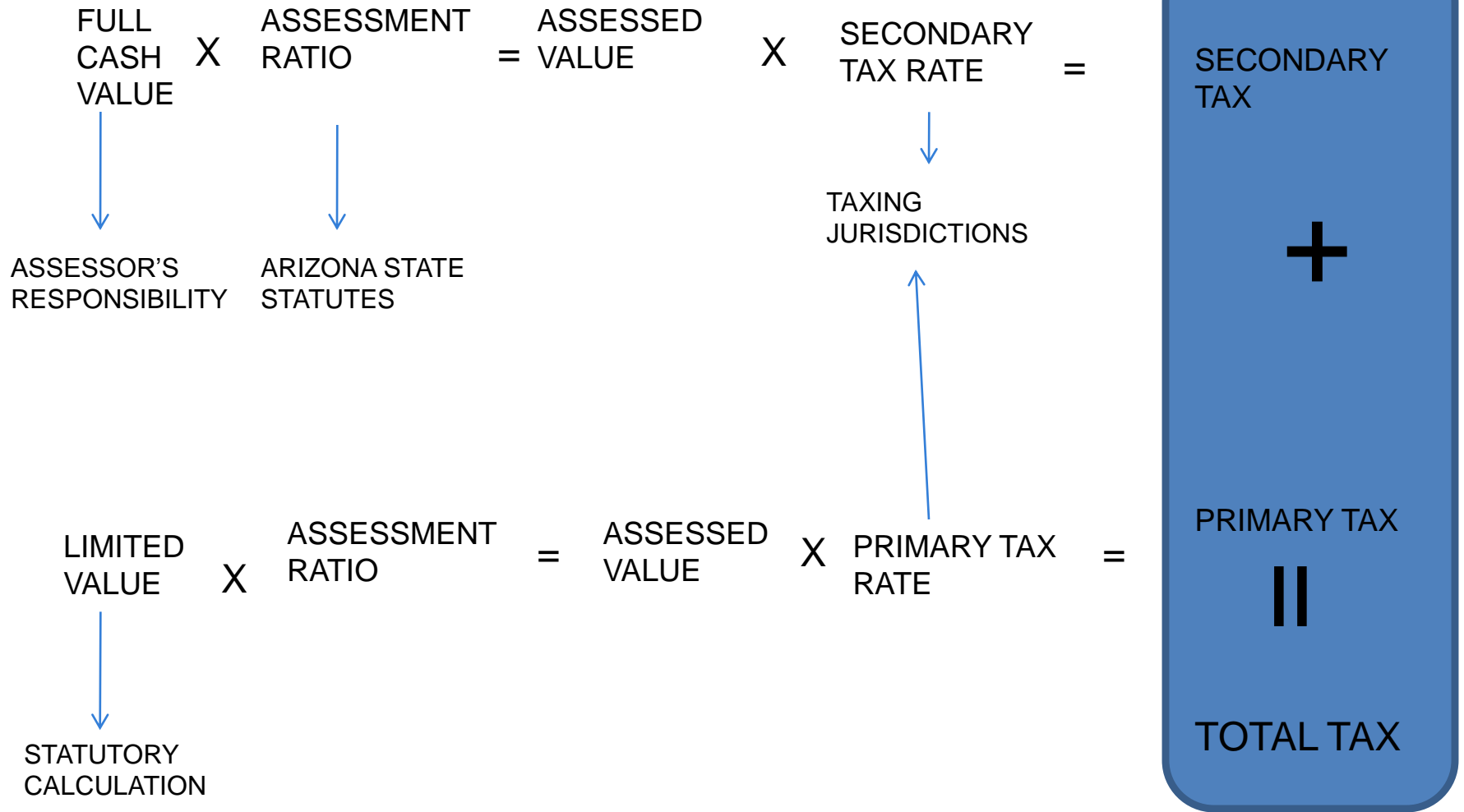


Res Property #1	160,000	0.10	16000	8.51%	\$4,680.85
Res Property #2	280,000	0.10	28000	14.89%	\$8,191.49
Res Property #3	120,000	0.10	12000	6.38%	\$3,510.64
Res Property #4	200,000	0.10	20000	10.64%	\$5,851.06
Com Property #5	240,000	0.20	48000	25.53%	\$14,042.55
Com Property#6	320,000	0.20	64000	34.04%	\$18,723.40
	\$1,320,000		\$188,000	100%	\$55,000.00



The two examples above indicate a Value reduction of 20% with an increased budget of 10% or \$55,000. The tax amounts increased 10% with a 20% reduction in value. The budget is the number that drives the tax amounts. The valuation is used to slice the pie between the property owners

ARIZONA PROPERTY TAX CALCULATION



RESIDENTIAL PROPERTY TAX BILL

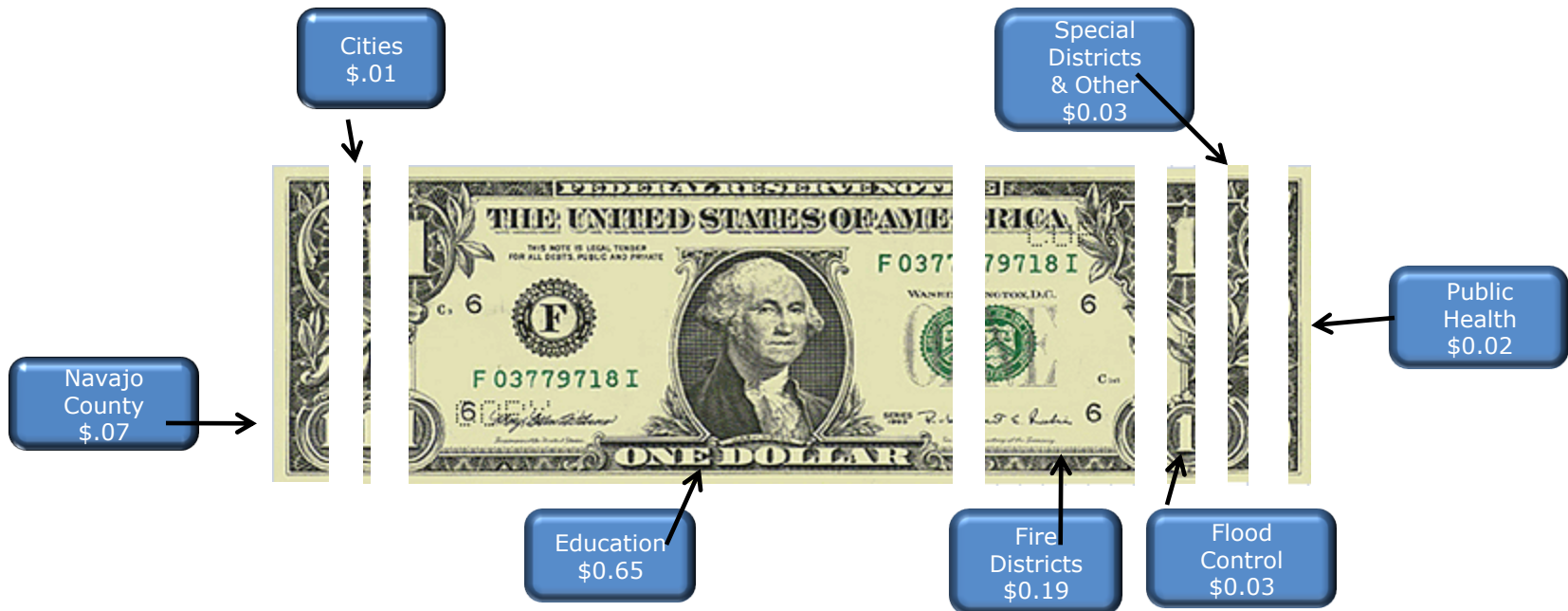
FULL CASH VALUE	\$200,000
ASSESSMENT RATIO (10%)	X .10
ASSESSED VALUE	\$ 20,000

TAX RATE(PER HUNDRED)	3.97
SECONDARY TAX AMOUNT	\$ 794.00

LIMITED VALUATION	\$180,000
ASSESSMENT RATIO	x <u>.10</u>
ASSESSED VALUE	\$ 18,000

TAX RATE	5.41
TAX AMOUNT	\$ 973.80
MINUS STATE AID	- 232.20
PRIMARY TAX AMOUNT	\$ 741.60
TOTAL TAX AMOUNT	\$1535.60

DISTRIBUTION OF TAX DOLLARS



PROPERTY TAX EXEMPTIONS AND PROPERTY FREEZE

**WIDOWS,
WIDOWERS, DISABILITY,
CHURCHES, SOME NON-PROFIT
ORGANIZATIONS AND SENIOR
PROPERTY FREEZE**

INFORMATION CAN BE OBTAINED ON OUR WEBSITE OR
BY CONTACTING OUR OFFICE

APPEAL INFORMATION

The Assessor in each county is required to mail a Notice of Valuation to all property owners of record at the last known address. If the property owner feels that their property has been improperly valued or erroneously listed, they may petition the Assessor for review within 60 days of the NOTICE DATE on the front of the card or file directly with tax court. A "Petition for Review of Valuation" can be obtained from the Assessor's Office; either by mail or online at the assessor's web site: www.navajocountyaz.gov/assessor.

Completed petitions for review must be filed with the Assessor's office by the APPEAL DEADLINE DATE printed on the front of the notice. United States postal service postmark dates are evidence of the date petitions were filed.

The Limited Value is a statutory calculated valued, therefore CANNOT be appealed, unless an error in the calculation is discovered.

The Petition of Review shall state the owner's opinion of the full cash value of the property and substantial information that justifies that opinion of value for the Assessor to consider for purposes of basing a change in classification or correction of the valuation. For purposes of this subsection, the owner provides **substantial information** to justify the opinion of value by stating the method or methods of valuation on which the opinion is based.

APPEAL INFORMATION CONTINUED

If the petition is based on the income approach: the petition must include the information required in section 42-16052. (Income form available from Assessor's Office.)

If the petition is based on the market approach: must include the sale price of at least one comparable property in the same geographic area or the sale of the subject property.

If the petition is based on the cost approach: the petition must include the cost to build or rebuild the property plus the land value.

The petition may include more than one parcel of property if they are part of the same economic unit according to department guidelines or if they are owned by the same owner, have the same use, are appealed on the same basis and are located in the same geographic area, as determined pursuant to department guidelines, and are on a form prescribed by the department (the form can be obtained at the same time as the Petition). The Assessor's Office is required to mail replies to the Petitions for Review of Valuation by August 15 of the year the petition was filed.

If the petitioner is not satisfied with the decision of the County Assessor, the petition can be filed with the Board of Equalization. The appeal of the Assessor's decision must be postmarked no later than 25 days from the Assessor's mailing date located on the Petition under the decision.

THANK YOU

FOR FURTHER INFORMATION OR ASSISTANCE PLEASE
CALL THE ASSESSOR'S OFFICE

928-524-4086

HOLBROOK

928-532-6001

SHOW LOW

928-289-6801

WINSLOW

928-535-7134

HEBER

OR

VISIT OUR WEB SITE
NAVAJOCOUNTYAZ.GOV/ASSESSOR